

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

aS21
.A8U51



United States
Department of
Agriculture

Office of
Public Affairs

Selected Speeches and News Releases

February 1 - February 8, 1990

IN THIS ISSUE:

Remarks—

Prepared for delivery by Secretary of Agriculture Clayton Yeutter to the National Rural Electric Cooperative Association, Orlando, Florida, Feb. 5.

Statement—

by Clayton Yeutter Secretary of Agriculture before the Senate Committee on Agriculture, Nutrition and Forestry, Feb. 7.

News Releases—

USDA Announces 1990 Wool and Mohair Support Prices

USDA Releases Cost of Food at Home for December

USDA Announces Final Deficiency Payments for 1989 Crop Upland Cotton

FGIS Releases Video About Wheat Classification

Private Exporters Report Sales Activity for Unknown

Yeutter Names Kearney Point Person on Presidential Initiative

Yeutter Announces Blumenthal as Chief of Staff

1989 Crop Rice Producers to Receive \$475 Million in Deficiency Payments

USDA Proposes Fee Increases for Meat Grading and Certification Services

Continued on inside front cover.

News Releases Continued.

USDA Proposes Fee Increases for Egg, Poultry and Rabbit Grading

USDA Grading Service Withdrawn from Ohio Egg Packer

Major Financial Survey of U.S. Farms Starts Feb. 12

USDA Announces 39 Additional Water Quality Special Projects

Yeutter Announces Agricultural Technical Assistance Mission to Poland

Four New Resource Conservation and Development Areas Approved for Assistance

Steering Clear of Fire Ants—A Stinging Cling-On That Causes Delays

FGIS Report Shows Quality Improves in 1989 Soybean Crop

USDA Settles Five Animal and Plant Health Compliance Cases

Private Exporters Report Sales Activity for China

Yeutter Outlines Administration Proposals for 1990 Farm Bill

USDA Announces Prevailing World Market Rice Prices

Private Exporters Report Sales Activity for Egypt

National Volunteer Award Presented to Alabama Conservation District

Yeutter Appoints National Pork Producers Delegate Body

Genetic Engineers: This Spud's for You

This Week's Honey-Loan Repayment Levels Unchanged

Remarks

U.S. Department of Agriculture • Office of Public Affairs

Prepared for delivery by Secretary of Agriculture, Clayton Yeutter to the National Rural Electric Cooperative Association, Orlando, Florida, Feb. 5.

With involved local leadership, the 1990's can become an exciting decade of new opportunities for rural people. As builders of our nation's highly successful rural electric cooperatives, you are among those local community leaders who can help make it happen.

I believe that the 1990's will be a time when America's smaller communities more successfully integrate themselves into the rapidly expanding world economy. It is imperative that they do so. Infrastructure—including communications and electric power—will be key to this success.

I am heartened today to speak to a group of people who are willing to take measured risks and willing to work hard to help their local communities succeed. That reflects commitment, another key to bringing renewed vigor to rural communities.

A weakened farm economy hurt rural America during the first half of the 1980's and while the 1985 farm bill addressed that financial stress quite successfully, there are still problems and challenges in many rural communities.

To address this, President Bush has ordered implementation of recommendations recently emanating from the White House Economic Policy Council's Working Group on Rural Development. The president feels strongly that the federal government needs to better coordinate its rural development efforts to more successfully work with state and local leaders. He sees local leadership as vital in helping rural communities adjust to the rapid economic changes that are sweeping the world today.

I concur and I also believe rural electric cooperatives can play a development role as crucial as in the 1930's when the electrification of rural America was just beginning.

Rural America today needs diversification of employment opportunities. While agriculture is still the top dollar generator in rural America, it employs relatively few people in most rural communities that reflects the

successful substitution of capital for labor in agricultural production. Only about nine percent of all rural Americans now work on farms or ranches; fewer than 19 percent now derive their livelihoods from activities associated with agriculture.

There are three possibilities for expanded employment opportunities in rural communities:

- 1) Current businesses can expand;
- 2) New businesses can be started; and
- 3) Businesses from other areas can be relocated in rural areas.

None of these possibilities will develop unless rural leaders stimulate their communities into action and make it happen—something that rural electric cooperatives have been doing for years.

It will be 55 years ago this spring since the Rural Electrification Administration (REA) was started and the REA is still a major contributor in keeping rural America in the economic mainstream. As we adjust to changing global economic conditions, the role of the REA and its cooperatives will change, but your participation in the economic development process will remain vital.

You have the first-hand business knowledge and financial strength needed to foster positive economic change in your communities. One good way to do this is by taking advantage of REA's "15 percent policy" that encourages borrowers to invest up to 15 percent of the value of their physical plant in local economic development activities. This is a provision that to date hasn't been used as much as it should be; still there are some good examples that show what can be done.

Basin Electric Power Cooperative of Bismarck, North Dakota, for instance, purchased the Great Plains Synfuels Plant near Beulah, North Dakota, from the Department of Energy in October 1988, using its own funds. Basin's subsidiary, Dakota Gasification Company, has now operated the plant for one year, producing synthetic natural gas from North Dakota lignite for its customers. The results are encouraging. The plant has produced natural gas at a rate seven percent above projections—at a production cost 12 percent below projected cost estimates.

Investment in byproduct development includes contracts for the rare gases, krypton and xenon. Krypton is used in halogen headlights, a market that didn't even exist a few years ago. Xenon is used in high-intensity lighting and laser applications. This investment exemplifies the type of forward thinking and aggressive marketing that can help revitalize

small communities—far beyond what any government program can accomplish.

Another rural electric cooperative, Mountain View Electric Association, Inc. of Limon, Colorado, has invested \$1.4 million in a centralized wastewater plant which will offer employees of nearby Falcon Air Force Base the option of residing near work—a plus to the local economy.

A third co-op, The Farmers Electric Cooperative in Winterset, Iowa, has invested some of its general funds in Rose Acre Farms, the nation's third largest egg producer, which expanded its base of operation from Indiana to Iowa. Local Iowa farmers benefit because Rose Acres needs corn for feed—about 1.5 million bushels per year—and pays a premium for quality corn.

Farmers Electric Cooperative also reports a five to six percent increase in its total electric load, with resulting annual gross revenue from the two Rose Acre plants totaling \$825,000.

These are rural development projects that truly mean something to their local economies! And they were locally inspired, locally led and are locally managed.

The federal government, through its executive decision-making power, and the Congress, through its legislative actions, can help shape the macro-economic process in our country—but only local leaders can mobilize the creative and financial drive to build viable economic communities.

Government by itself can not furnish all the answers; the incredible failures of the centrally planned economies of Eastern Europe provide ample proof of that.

The Year Ahead

At USDA, this will be an incredibly active year. We'll be working on the 1990 farm bill as well as getting the Presidential Initiative on Rural Development underway. USDA will also be working closely with U.S. Trade Representative Carla Hills to bring the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) to a successful conclusion—an historic exercise that can yield major benefits to rural America.

The farm bill will be impacted by an over-riding need to bring the federal deficit under control. It's time to work smarter, instead of believing that every challenge can best be solved by simply throwing more federal dollars at it.

Ending The Federal Budget Deficit

The USDA budget for FY 1991, which begins next October, is austere but not draconian. President Bush is serious about getting federal spending under control and the USDA budget reflects this. The federal deficit, while substantially below the \$221 billion peak in 1986, is still massive and intolerable. The Gramm-Rudman-Hollings legislation dictates that in the current operating year (FY 1990), the federal budget deficit can not exceed \$100 billion. For FY 1991—the budget just announced—it can not exceed \$64 billion and by FY 1993, the deficit is to be zero.

This will obviously put severe pressure on farm program spending—but this has a good side too. Controlling the deficit will hold down interest rates to individuals and commercial borrowers—including REA's, and that's good news for everybody.

The Farm Bill

I'll be going to Congress two days from now to deliver USDA's recommendations on the 1990 farm bill, but I would like to touch on it briefly with you here today, particularly as it relates to building a stronger rural economy.

We must make certain that our commodity programs have enough flexibility to allow farmers to grow crops that consumers want, instead of crops that the government dictates. This, in concert with a stronger U.S. trading stance in world markets for agricultural commodities and products, will go a long way toward keeping the agrarian economy robust.

There are an increasing number of external forces now affecting U.S. legislative and regulatory activity concerning rural America. In the field of electrical power generation, environmental issues are becoming dominant.

New environmental coalitions are demanding greater input into farm legislation and more aggressive regulatory action in rural communities. In a democratic society those voices have every right to be heard, and their views and concerns should be carefully considered. I know, for example, that the acid rain issue is important to rural electric cooperatives.

We are aware that clean air legislation needs to recognize the "cleanliness" of existing power generation plants. Utilities which have already built clean plants must not be forced to disproportionately contribute to the cleaning up of plants that have not been so modernized. Many of you have expressed concern that legislation might put a cap on

future emission levels based on current levels. This could mean that a “dirty” unit could be replaced with two or more “clean” units capable of generating more power, while a utility which has already built “clean” units would have its ability to add more generating capacity effectively capped at current levels. We will do everything we can to see that such unfairness does not occur.

Some of you have also expressed concern over the future of REA itself. We believe in REA and we see an important role for these rural cooperatives in the future, particularly in economic development as I’ve already suggested. But we also believe that our financial support should continue to shift from a direct to a guaranteed mode. That viewpoint is very much a reflection of REA’s past and present successes.

The financial strength and skilled management of these cooperatives demonstrates their ability to stand on their own feet, with limited support from the federal government. At a time of great budget austerity that is essential.

As you already know, our Fiscal Year 1991 budget calls for more than \$1 billion in guaranteed loans, supported by a safety net of \$200 million in direct loans. That should permit continuation of a strong and viable lending program.

Rural Development

Let me now outline the president’s Initiative on Rural Development and as I do, think about how your cooperatives might best fit into the picture. It’s your leadership that will make it work.

President’s Council on Rural America.—A Presidential Council will be formed with membership drawn from farmers, state and local governments, rural businesses and high technology industries to advise the Federal government on improving our rural development policy.

State Rural Development Councils.—Each state will establish a Rural Development Council to coordinate Federal rural development programs in its region. Council members will include representation from the office of the governor and the state representatives of all Federal departments administering rural development programs locally. These councils will identify and assess local rural development needs and coordinate the delivery of Federal and state rural development programs to meet those needs.

Rural Development Demonstration Program.—Under existing budgetary resources, a series of Rural Development Demonstration Programs will

be organized to: identify regional rural development needs; develop plans of action to meet those needs; bring together the necessary resources; and evaluate the process and its results for possible application on a broader basis.

Rural Development Technical Assistance Center and Hot Line.—The U.S. Department of Agriculture will establish a center to provide technical assistance and detailed information on Federal programs that serve rural communities. The center will also link callers with Federal, state and regional program officials who can provide additional assistance.

Target Federal Rural Development Programs.—Given limited Federal budget resources, the Federal government will attempt to target rural development programs on those activities that generate maximum net economic benefits. While most Federal rural development programs allocate funds by formula, programs with discretionary accounts will allocate funds to those activities where the payoff is greatest.

Economic Policy Council's Working Group on Rural Development.—This working group will become a standing committee of the President's Economic Policy Council and will implement any rural development initiatives developed by the President's Council on Rural America.

Conclusion

I believe the President's Initiative on Rural Development is a good one. It is sound in concept; it can be done with current funding, it can be undertaken immediately, and—of particular interest to you—rural electric cooperatives can play a significant role in the development process.

Thank you for having me here today. You have a great tradition and I know you'll work with us to build on that solid foundation as we enter the '90s together.

Thank you.

#

Statement

U.S. Department of Agriculture • Office of Public Affairs

by Clayton Yeutter, Secretary of Agriculture, before the Senate Committee on Agriculture, Nutrition and Forestry, Feb. 7.

Mr. Chairman and members of the committee, I welcome the invitation to appear today to discuss the 1990 Farm Bill. The making of farm policy in 1990 will be truly historic. The road that we take over the coming months will be vital to U.S. farmers, the American public and, in fact, the world.

As you know, we have been working very hard at the USDA and within the administration for many months to develop proposals that we believe will best serve our nation's food and fiber industries and all Americans. Yesterday we unveiled our ideas. This morning, I would like to bring into focus the more than 50 initiatives we are proposing as modifications to the 1985 farm bill.

From the start, one goal has been to develop a set of proposals which recognize that U.S. agriculture operates in a world marketplace. Our policy must be one that commits U.S. agriculture to compete, because without greater access to foreign markets U.S. agriculture will stagnate. We have sought also to be sensitive to environmental concerns.

We believe that the 1990 farm bill should be based on the Food Security Act of 1985. We propose continuing the market oriented transition of that legislation. That calls for provisions which ensure that farmers respond to market signals, not government programs. Our proposals on price support programs, stocks policies, planting flexibility and credit are all designed to strengthen the link between market conditions and farmers' decisions.

Providing farmers more planting flexibility must be a key element of the 1990 farm bill. We will submit to you a comprehensive flexibility proposal which should enhance farm income while simultaneously fostering environmentally sound production practices.

Perhaps no set of agricultural issues will receive more scrutiny during the 1990s than the relationship between agricultural production and conservation and environmental concerns. We are, therefore, proposing a

broad-based environmental initiative that includes research; education; land management and acreage retirement programs directed at water quality, wetlands, wildlife, trees and erosion; a multi-year set-aside; and the more flexible production alternatives I have already mentioned.

We have crafted these proposals to target specific areas and problems so that environmental benefits are maximized without undermining the competitiveness and productive capacity of U.S. agriculture.

USDA has been known as the “people’s department” for 127 years, and as we begin the last decade of this century, we find that spending on food and nutrition programs accounts for half of our budget. We propose full funding for USDA’s domestic food assistance programs for the needy. In addition, we will strengthen and improve food program administration. We also propose a number of changes in our marketing and inspection service programs to improve their effectiveness in assuring the safety of the nation’s food supply.

Virtually all indicators of farm sector well-being have improved since 1985. Farm income is up, farm failures are down, farmland values are recovering, and debt-to-asset ratios have improved. Commodity surpluses have all but disappeared, some idle land has returned to production, and farm program spending is down.

We have a unique challenge in 1990. U.S. farm policy will be written while our government concurrently engages in the most significant multilateral trade discussions ever. However, it would be incorrect to state that farm legislation will be unaffected by the GATT negotiations or that the GATT will not be affected by actions taken in Washington.

Clearly, there is a relationship between these two important initiatives. As the world’s major agricultural exporter, changes in agricultural trading rules will obviously affect the United States—and we intend to do everything in our power to make sure these changes are for the better. They can only get better.

The dominant issue in both the multilateral trade negotiations and the 1990 farm bill is the same—a stronger agricultural economy for America. Our farm bill proposals, which combine increased production responsiveness, aggressive export assistance targeted at unfair competition, market-oriented loan and storage programs and greater research funding should signal to our competitors the resolve we have to compete in world markets.

Last week President Bush presented his FY 1991 budget to the Congress. There is a small increase in the overall USDA budget and new

initiatives for research, water quality and food safety. Nevertheless, there are real limits on the amount of available federal resources. As you know, the Gramm-Rudman-Hollings law calls for a reduction in the federal deficit to zero in FY 1993.

For FY 1991, which will largely be unaffected by the new farm bill, the budget specifies a baseline spending cut of \$1.5 billion in farm price and income supports. However, even with this reduction, outlays for price and income supports are expected to be \$2 billion more than in FY 90. Our goals for fiscal policy mean that greater savings must be achieved in the farm programs throughout the nineties.

We have not proposed specific changes for achieving budget savings, but Chapter V of the president's budget summarizes some of the approaches we have in mind.

Target prices and/or payment bases could be reduced; or payment limits could be tightened. All of these can affect deficiency payments.

We prefer to work with the Congress in determining the most propitious way to achieve the necessary budget objectives within a sound policy framework.

Mr. Chairman, I would now like to discuss some of the proposals in more detail.

Price and Income Supports

Our top priority in the price/income support area is to reduce the rigidity of present programs. We have learned how costly it can be to design programs based upon assumptions and expectations which do not materialize. We believe our new proposal is adaptable enough to deal with any eventuality, whether surplus or shortage.

Our production flexibility proposal uses the concept of normal crop acreage (NCA). We propose to make deficiency payments on historic cropping patterns, regardless of which NCA crop is grown in the future. This means that producers will make planting decisions among NCA crops based on market prices, not target prices.

Production will then be more responsive to market conditions, i.e., we'll have greater production of crops in scarce supply and lower production of crops in surplus. This should also foster a greater use of crop rotations with their attendant environmental benefits. The cost to the nation's economy of vast idled acreage would be reduced, because we would permit planting on idle acres under certain specified conditions.

All of us have puzzled over how to deal with stockholding policies. We believe that our proposals will provide significant improvements in this difficult area. The basic thrust of our approach is that decisions by farmers on when to store and when to sell should be determined more by market forces and less by government decree.

We propose to accomplish this by shortening the farmer-owned reserve (FOR) contract period to 9-12 months; eliminating price or quantity triggers for entry or release; eliminating the required FOR minimum quantity levels; and establishing a standardized minimum CCC resale price for commodities acquired through price support activities.

The effect of these changes will be to accommodate the storage of a considerable quantity of grain from one year to the next, but defer to the farmer decisions on when to store and when to sell. In addition, these changes will eliminate a complex array of adjustment formulas, rules and regulations.

We are proposing that the formula for adjusting loan rates for feed grains and wheat be used also for cotton and rice. There is no sound reason to continue the inequities represented by the rice and cotton loan rate minimums. These changes will allow cotton and rice loan rates and market prices to be more reflective of actual market conditions.

We propose no changes in the soybean price support program. But soybean growers should benefit from our flexibility proposal under which soybeans will for the first time compete with other crops for acreage on the basis of relative market returns.

Milk price support adjustments in the dairy program have played a positive role in reducing the surpluses and high program costs that saddled the dairy industry just a couple of years ago. We offer modest revisions that will allow us more flexibility to respond to changes in supply and demand conditions, as indicated by the expected volume of dairy products acquired by the government.

We propose changing the peanut program so that the support level is no longer a function of the cost of production. Peanut supports should be more consistent with other programs and more closely aligned with market prices. We also propose bringing the wool and mohair and honey programs into conformity with our program crops by shifting income support to the target price concept.

International Programs

Our proposals for export programs build on the progress that has occurred since the passage of the 1985 Act. We are proposing to extend the programs which have been instrumental in that task, and we are recommending legislative changes to strengthen other programs. After completion of the Uruguay Round, all programs will be reassessed.

We propose reauthorization of the Export Enhancement Program (EEP) without mandated program levels or programming requirements. The EEP has proven an important part of our trade policy strategy to achieve a successful Uruguay Round.

We want our competitors, especially the European Community, to know that we stand ready to use this program to the maximum extent. We want them to phase out their export subsidy practices which have severely distorted world markets for many years. Those subsidies have cost American farmers billions of dollars in exports and in income.

We also propose to extend the Targeted Export Assistance Program and the Food Security Wheat Reserve. The 1985 act established a minimum annual program level of \$5 billion for GSM-102 short-term credit guarantees and a maximum program level of \$1 billion annually for GSM-103 intermediate-term credit guarantees for FY 1989 and 1990. We propose that these program levels be continued.

We are committed to helping to feed needy people in low-income developing countries. Many of our foreign food aid programs, including P.L. 480 and the Food for Progress Program, must be reauthorized this year.

The department is working with the Interagency Food Aid Subcommittee to develop legislative recommendations for these programs. We are particularly interested in revisions which will improve program operations and administration. Those will be forthcoming soon.

Conservation and Environment

Our conservation proposals extend and enhance the authorities in the 1985 act, and the activities we have undertaken with other federal agencies. We will focus on measures that maintain the long-term productivity of our agricultural resources and measures that will stimulate the adoption of environmentally sound production systems.

This can be done in most instances without imposing new regulations that could impair the profitability of our farmers. American farmers share with the rest of the nation a longstanding concern for the quality of our

environment and the conservation of our land and water resources. Through research and technical assistance, greater production flexibility and targeting of key problem areas, American farmers will become even better stewards of nature.

The authorization period for the Conservation Reserve Program (CRP) should be extended through 1995, and the focus of this program should be directed particularly at problems related to water quality and wetlands. An authorization level of 40 million acres is, in our judgment, adequate to address these problems.

Most water quality issues can be resolved through voluntary adoption of known production practices that reduce environmental risks. Research, technical and financial assistance programs now underway in USDA and in many states will encourage adoption of those practices. We are proposing an expanded effort in these areas.

In particular, more effort will be required to address cropping activities in the vicinity of public water supplies, cropland in areas where dangerous runoff is conveyed directly into groundwater, areas that provide protection of wildlife habitat and areas identified for conversion from intensive cropping under state water quality planning.

To respond to the loss of wetlands, we propose including wetland restoration as part of the CRP. Up to 2.5 million acres of cropped wetlands could be restored and protected under this program through the use of easements.

We have also recommended several changes in annual commodity programs that should reduce the use of agricultural chemicals. Our flexibility proposal will enable producers to plant a mix of program crops on permitted acres without losing base history or deficiency payments. We also propose to protect base history when conservation crops such as forage legumes and grasses are planted but not harvested. Intensive cropping patterns should thereby be reduced, with a substantial gain in environmental benefits.

We also wish to foster improved maintenance of land idled under annual crop programs. Accordingly, we propose strengthened rules for planted cover crops, and we propose to cost share for the establishment of perennial vegetative cover on a portion of land idled under acreage reduction programs. This will reduce erosion and weed problems and improve water quality and wildlife habitat.

Increased tree planting is another objective of our CRP proposals. We propose that shelterbelts and windbreaks be established under less

restrictive CRP rules. This will complement the presidential initiative, “America the Beautiful,” which will result in planting and maintaining 1 billion trees per year in urban and rural areas. This program will enhance stewardship of our nation’s natural resources, improve wildlife and fish habitats, and have atmospheric benefits such as offsetting increased emissions of carbon dioxide.

Farm Credit

The time has come to reform our farm credit programs by emphasizing that they should be consistent with a commercial, market-oriented industry. In other words, they should fill a carefully defined credit niche; they should not be disguised welfare programs. Our Farmers Home Administration (FmHA) should provide targeted assistance to beginning farmers with demonstrated management capabilities. Greater emphasis should be placed on improved loan application and reporting procedures, and on financial disciplines that are required of commercial borrowers.

FmHA credit programs will continue the shift toward the use of loan guarantees initiated in the 1985 act. Under our proposal existing FmHA borrowers and beginning farmers who receive direct operating loans would face tighter loan eligibility and application requirements, limits on the period of eligibility for FmHA loans, requirements for demonstrated farming abilities and a needs test for limited resource loans.

Many of these changes would also apply to guaranteed operating loans in order to facilitate the eventful transition of FmHA borrowers to commercial sources of credit. The proposals would also strengthen FmHA’s authority to subsidize guaranteed loans so as to make these loans more affordable and to encourage direct borrowers to shift to this source of funding.

The farm ownership loan program will be targeted to disadvantaged applicants, beginning farmers and expanding family farms. More stringent requirements for loan eligibility and application procedures, borrowers’ equity and farming experience are added.

Finally, we are proposing that FmHA guaranteed loans be made eligible for the Farmer Mac secondary market that is being established. This should facilitate an efficient FmHA guaranteed lending program offering the lowest possible interest rate to the farmer.

Disaster Protection

Multi-peril federal crop insurance has not achieved the objectives intended when it was expanded in 1980. Consequently, in the president’s

FY 1991 budget we have proposed eliminating the program. Participation has remained under 45 percent of eligible acres and, until this past year, was under 25 percent, even though premiums and delivery costs are heavily subsidized. In addition, the program has not provided a viable replacement for ad hoc disaster legislation, which has cost an average of \$600 million annually since 1981.

In an ideal world, federal disaster protection for farmers would be of reasonable cost; provide producers with catastrophic protection in the event of a widespread disaster; not crowd out insurance services provided by the private sector; and provide farmers with a risk management tool that is equitable and does not reward inefficiency. These objectives have proven difficult, if not impossible, to achieve.

We, therefore, propose a standing disaster protection program to replace multi-peril crop insurance. This would provide the catastrophic protection farmers need and, hopefully, avoid costly and inequitable ad hoc legislation. Disaster payments would be available to producers in counties where crop yields fall below 65 percent of normal.

Once a county is declared eligible, individual farmers would receive assistance on the difference between the producer's harvested yield and 60 percent of the normal harvested yield for the county. The payment rate on eligible losses would be 65 percent of a 3-year average market price.

Producers of 200 crops currently covered by Federal Crop Insurance, plus hay and forage, would be eligible. These crops account for over 93 percent of total U.S. cropland.

Private insurers may develop companion policies that provide protection not covered by this disaster assistance program. By providing protection on catastrophic losses, private insurers are better able to cover types of agricultural risks that are effectively insurable. Further, hail and fire insurance would continue to be available.

Moreover, the disaster assistance program would provide protection to those producers who have not participated in the crop insurance program in the past because they felt it failed to address their risk management needs.

We must recognize that risk is a fundamental characteristic of agriculture. Farmers who protect themselves against risk will benefit therefrom when conditions are adverse. If the government attempts to compensate producers every time a loss is incurred, farmers' incentives

to self-protect against loss from price and yield risks are reduced and the adverse effects of normal price and yield variation are magnified.

Marketing and Inspection Services

In the area of marketing and inspection of agricultural products, we have several priorities. The number one goal is to ensure a safe and wholesome food supply. Just last fall, we established new procedures within USDA to respond promptly to food safety problems, and our FY 1991 budget includes a special food safety initiative.

We have also established a close working relationship with the Environmental Protection Agency and the Food and Drug Administration in order to resolve issues such as pesticide tolerance. In addition, a comprehensive food safety proposal has already been announced by the president.

We recommend amending the Agricultural Marketing Agreement Act of 1937 to authorize civil fines and penalties against handlers for non-payment of assessments. Nearly 50 percent of marketing order violation cases involve failure to pay assessments.

Many of the activities carried out by the Animal and Plant Health Inspection Service (APHIS) represent services rendered to a particular individual or group importing plants or animals from foreign countries. In these cases, we need user fee legislation so that the user or person requiring the APHIS service bears the financial burden.

We also propose legislation to require that all our corn exports be officially tested for aflatoxin. This will help correct our tattered quality image in world markets.

Food and Consumer Services

We support reauthorization of our food assistance programs, which have become so important to the nutritional well-being of low-income Americans. Benefits of the Food Stamp Program will be fully funded, and support for the Temporary Emergency Food Assistance Program (TEFAP) will be continued. This represents a substantial commitment of the department's limited financial resources.

TEFAP should be reauthorized so that both surplus and purchased commodities may be donated. This program fills an important need for many low-income Americans who have difficulty using, or choose not to use, other food assistance programs. Funding of \$120 million for purchased commodities and \$50 million for administrative funding would be provided.

The Food Stamp Program is the cornerstone of our national effort to provide nutritional assistance to low-income Americans. Proposed food stamp legislation would strengthen program accountability because the needy are best served by strong programs administered with integrity. We support proposals that will increase family income, thereby decreasing the need for food assistance. We believe that food stamp beneficiaries should take the maximum advantage of child support services.

We support a major effort to improve food program administration by increasing coordination among programs that serve low-income Americans. We are working through the White House Low-Income Opportunity Board and with other federal agencies to achieve this.

Our proposals for food stamps also set aside special demonstration grants to reach out to homeless people. Most are eligible, yet few participate. We believe that innovative activities will increase their participation, improve their nutritional status and help give them a better quality of life.

Science and Education

In the area of science and education, our proposals identify priority research and extension programs and provide additional funding authority to conduct a National Initiative for Research on Agriculture, Food and Environment.

A provision of the national initiative would strengthen the ability of institutions with less well developed research capabilities to conduct advanced research and train the talent which will be required in the future in our agricultural sciences.

Scientists recognize the potential to solve agricultural problems ranging from animal diseases to environmental issues through the application of advanced biotechnology. In this regard, our provisions recognize the importance of genome mapping programs for crop plants and livestock species on a national scale and provide for USDA leadership in this area. Our proposal also recognizes that the development of non-food, non-feed uses of agricultural commodities is seen as a way to open new markets for U.S. agriculture and thereby strengthen demand.

With respect to environmental and health issues, our proposals recognize an important role for the USDA in research and extension education on food safety, rural water quality, global change and for environment and natural resources education. Sustainable agriculture practices are recognized as a means to address environmental concerns,

and we propose to more effectively integrate such research into the land-grant system.

In view of political changes taking place around the world and of the need to compete in world markets, we are also proposing to expand our international research and education programs and our international development activities through scientific cooperation and exchange programs.

Conclusion

Mr. Chairman, the 1990 farm bill proposals I have outlined today build on the market orientated international competitiveness initiatives of the Food Security Act of 1985.

While enhanced competitiveness is the major focus of our proposals, they were developed within the context of concern for the environment, food safety, nutritional needs of the poor, and first and foremost, the economic well-being of American farmers—family farmers.

We are committed to helping farmers identify and respond to new practices that allow them to reduce costs, increase profitability, support a safe environment and produce a reliable supply of safe and affordable food. We do not perceive these objectives to be incompatible if we deal with them in a sensible, objective, systematic manner.

In closing, Mr. Chairman, we stand ready to work with the committee and the Congress to develop new legislation that will help U.S. agriculture and the American people meet the challenges and opportunities of the 1990s.

#

News Releases

U.S. Department of Agriculture • Office of Public Affairs

USDA ANNOUNCES 1990 WOOL AND MOHAIR SUPPORT PRICES

WASHINGTON, Feb. 2—Support prices for wool and mohair for 1990 marketings will be \$1.82 per pound for shorn wool and \$4.532 per pound for mohair, a U.S. Department of Agriculture official announced today.

Mohair is being supported at 85 percent of the percentage of parity at which shorn wool is supported.

Keith Bjerke, executive vice president of USDA's Commodity Credit Corporation, also said that pulled wool will be supported at a level comparable to the support price for shorn wool to maintain normal marketing practices for pulled wool.

Further details will be published in the Federal Register at a later date.

Bruce Merkle (202) 447-8206

#

USDA RELEASES COST OF FOOD AT HOME FOR DECEMBER

WASHINGTON, Feb. 2—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for December 1989:

Chart on following page

Cost of food at home for a week in December 1989

	-----Food plans----- (In Dollars)			
	Thrifty	Low- cost	Moderate cost	Liberal
Families:				
Family of 2 (20-50 years)	45.40	57.20	70.40	87.50
Family of 2 (51 years and over)	43.00	54.90	67.50	80.90
Family of 4 with preschool children	66.20	82.50	100.60	123.50
Family of 4 with elemen- tary schoolchildren	75.70	96.90	121.00	145.60
Individuals in four-person families:				
Children:				
1-2 years	12.00	14.60	17.00	20.50
3-5 years	12.90	15.90	19.60	23.50
6-8 years	15.70	21.00	26.30	30.60
9-11 years	18.70	23.90	30.70	35.50
Females:				
12-19 years	19.60	23.50	28.40	34.40
20-50 years	19.60	24.30	29.50	37.70
51 and over	19.40	23.60	29.10	34.80
Males:				
12-14 years	19.60	27.10	33.70	39.60
15-19 years	20.30	28.00	34.70	40.20
20-50 years	21.70	27.70	34.50	41.80
51 and over	19.70	26.30	32.30	38.70

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

Dr. James T. Heimbach, acting administrator of the HNIS, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods, and other nonfood items bought at the store.

“USDA costs are only guides to spending,” Heimbach said. “Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.

“Most families will find the moderate-cost or low-cost plan suitable,” he said. “The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan.”

To use the chart to estimate your family's food costs:

—For members eating all meals at home—or carried from home—use the amounts shown in the chart.

—For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

—For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the “individual” figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

—For a one-person family, add 20 percent.

—For a two-person family, add 10 percent.

—For a three-person family, add 5 percent.

—For a five or six-person family, subtract 5 percent.

—For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, HNIS, USDA, Federal Building, Hyattsville, Md. 20782.

Johna Pierce (301) 436-8617

#

USDA ANNOUNCES FINAL DEFICIENCY PAYMENTS FOR 1989 CROP UPLAND COTTON

WASHINGTON, Feb. 2—The U.S. Department of Agriculture today announced that eligible upland cotton producers will receive final deficiency payments of \$250 million this month for the 1989 crop of upland cotton.

Daniel Shaw, acting executive vice president of USDA's Commodity Credit Corporation, said payments will be based on a rate of 13.1 cents per pound. Producers who participated in the 1989 price support and production adjustment program may have received advance payments of 8.56 cents per pound, leaving a balance of 4.54 cents per pound, to be paid in cash.

Producers who did not request an advance deficiency payment will receive their entire payment.

The 1989 deficiency payment rate is the difference between the national established target price of 73.4 cents per pound and the higher of the national average market price received by producers of upland cotton during the 1989 calendar year or the loan rate for Strict Low Middling 1-1/16-inch cotton, micronaire 3.5-4.9, at the average U.S. location.

Because the 1989 calendar year national average market price of 60.3 cents per pound is above the loan rate of 50 cents per pound, the deficiency payment rate is the difference between the target price and the 1989 calendar year national average market price.

Robert Feist (202) 447-6789

#

FGIS RELEASES VIDEO ABOUT WHEAT CLASSIFICATION

WASHINGTON, Feb. 2—A new video, “What’s In A Name? Differentiating Wheat Classes” is being released by the U.S. Department of Agriculture’s Federal Grain Inspection Service.

The video describes the factors which contribute to the increasing difficulty in accurately distinguishing different classes of wheat using visual examination methods. The use of wheat hardness as a potential basis of an objective classification system is also discussed.

Acting FGIS Administrator David Gallart said the intended audience for the video includes wheat farmers, wheat breeders and extension agents.

The film and complete transcripts of the video may be obtained by contacting: Keith Sanders, FGIS Field Management Division, at (202) 475-3891.

Dana Blatt (202) 382-0378

#

PRIVATE EXPORTERS REPORT SALES ACTIVITY FOR UNKNOWN

WASHINGTON, Feb. 2—Private exporters today reported to the U.S. Department of Agriculture export sales of 100,000 metric tons of corn for delivery to unknown destinations during the 1989-90 marketing year.

The marketing year for corn began Sept. 1.

USDA issues both daily and weekly export sales reports to the public. Exporters are required to report to USDA export sales of 100,000 metric tons or more of one commodity, made in one day, to one destination by 3:00 PM, eastern time on the next business day following the sale. Export sales of less than these quantities must be reported to USDA on a weekly basis.

Thomas B. McDonald (202) 447-3273

#

YEUTTER NAMES KEARNEY POINT PERSON ON PRESIDENTIAL INITIATIVE

WASHINGTON, Feb. 2—Secretary of Agriculture Clayton Yeutter announced today the appointment of Patricia Kearney to the position of acting assistant secretary for natural resources and environment. Kearney previously served as Yeutter's chief of staff.

“Pat has played an integral part in developing the President's new initiative ‘America the Beautiful’ and is especially well equipped to provide leadership in implementing this important program,” Yeutter said. In addition, Kearney will manage the day-to-day policymaking activities of the Forest Service and the Soil Conservation Service. “Pat has done an outstanding job in helping me get the Department up and running during the first year of my tenure and is ideally suited to take on this new challenge.”

Kearney, 35, headed Yeutter's transition team prior to being named chief of staff. Prior to this, she served as the deputy director of communications for the 1988 Republican National Convention and as a member of Governor John Sununu's transition staff. Earlier she was president of PMK Associates, a marketing and communications firm, and served in the Reagan White House as director of communications for private sector initiatives.

During an earlier tenure at USDA, Kearney served as an assistant to the secretary and director of private sector initiatives as well as nutrition advisor to the assistant secretary for food and consumer services. Before coming to Washington, Kearney was at Harvard Medical Area where she served as senior nutritionist at the Brigham and Women's Hospital.

Kearney received her B.S. from Simmons College in Boston and her master's degree from Tufts University. She is a native of Massachusetts and resides in Alexandria, Va.

Kelly Shipp (202) 447-4623

#

YEUTTER ANNOUNCES BLUMENTHAL AS CHIEF OF STAFF

WASHINGTON, Feb 2—Secretary of Agriculture Clayton Yeutter today named Gary R. Blumenthal as his new chief of staff, replacing Patricia M. Kearney who has been appointed acting assistant secretary of agriculture for natural resources and the environment. Blumenthal has served as Yeutter's executive assistant since July 7.

“In his previous position Gary has been very involved in the policy aspects of the U.S. Department of Agriculture which will facilitate a smooth transition. His past experience in trade policy and the legislative process will be important and especially helpful as we approach debate over new farm legislation and conclude the GATT negotiations,” Yeutter said.

Blumenthal, 33, served USDA's Foreign Agricultural Service from 1983 until his July 7 appointment, first as a legislative assistant and, since 1985, as director of the agency's legislative affairs office. Born in Kittery, Maine, Blumenthal was raised in Jacksonville, N.C. He earned a bachelor's degree in political science from East Carolina University in Greenville, N.C. From 1979 to 1981, Blumenthal was legislative assistant to Rep. Larry J. Hopkins (R Ky.). In 1981, he became a staff assistant to Air Force Secretary Verne Orr, and in 1982 served as a field representative for the Republican National Committee in five southern states. Blumenthal lives in Arlington, Va., with his wife and daughter.

Kelly Shipp (202) 447-4623

#

1989 CROP RICE PRODUCERS TO RECEIVE \$475 MILLION IN DEFICIENCY PAYMENTS

WASHINGTON, Feb. 2—The U.S. Department of Agriculture today announced that eligible rice producers will receive \$475 million in deficiency payments for the 1989 crop.

About \$225 million of the \$475 million has already been paid to producers who requested advance deficiency payments. The estimated \$250 million balance will be paid in cash, according to Daniel Shaw, acting executive vice president of USDA's Commodity Credit Corp.

The deficiency payment rate is based on the difference between the established target price and the higher of the national average price support rate or the national weighted average market price received by rice producers during the first five months, August through December, of the marketing year.

The five-month national weighted average market price for the 1989 crop of rice is \$7.24 per hundredweight and the deficiency payment rate will be \$3.56 per hundredweight, the difference between the target price, \$10.80, and the \$7.24 market price.

Robert Feist (202) 447-6789

#

USDA PROPOSES FEE INCREASES FOR MEAT GRADING AND CERTIFICATION SERVICES

WASHINGTON, Feb. 5—The U.S. Department of Agriculture is proposing to increase its hourly fees charged for voluntary meat grading and certification services.

Daniel D. Haley, administrator of USDA's Agricultural Marketing Service, said the proposed changes would offset recently increased costs associated with employee salaries, travel, and health benefits.

The fee increases are as follows:

- from the current \$28.80 to \$30.80 for “base hours,” (40 hours per week) for “commitment applicants,” i.e., plants using graders full time;
- from the current \$31.20 to \$33.20 for base hours for “non-commitment applicants,” i.e., plants using graders intermittently or part-time;
- from \$36.80 to \$38.80 for “premium hours,” i.e., overtime on any day, and any work prior to 6 a.m. and after 6 p.m. weekdays;
- from \$57.60 to \$61.60 for holiday hours for any user.

USDA's meat grading service identifies yields and quality of carcasses. Its meat certification service provides large-scale buyers reliable verification that their meat suppliers fulfill contract specifications, Haley said.

Under law, these services are provided to users on a fee-basis. The fees must approximate service costs.

The proposed changes will appear as a proposed rule in the Feb. 6 Federal Register. Comments, postmarked or courier-dated no later than

March 6, may be sent to the Livestock and Seed Division, AMS, USDA, Rm. 2638-S, P.O. Box 96456, Washington, D.C. 20090-6456; telephone (202) 382-1113. Further information may be obtained from Eugene M. Martin at the same address, telephone (202) 382-1113.

Clarence Steinberg (202) 447-6179

#

USDA PROPOSES FEE INCREASES FOR EGG, POULTRY AND RABBIT GRADING

WASHINGTON, Feb. 5—The U.S. Department of Agriculture is proposing increased fees for certain grading and inspection services for eggs, poultry and rabbits.

“Increases in the salaries and fringe benefits of federal employees and of federally licensed state employees providing the services justify raising the fees,” said Daniel D. Haley, administrator of USDA’s Agricultural Marketing Service, which administers the grading program.

Hourly fees for voluntary, industry-requested grading would rise from \$17.80 to \$19.68 for resident service (work of a grader with a regular tour of duty at a plant); from \$24.12 to \$27.28 for non-resident service (intermittent, “as-needed,” grading); and from \$25.92 to \$27.36 for nonresident grading work on weekends and holidays.

The administrative fee for the cost of USDA supervision of voluntary grading and for other overhead expenses would rise from \$.027 to \$.029 per case of shell eggs and from \$.00027 to \$.00029 per pound of poultry in plants using the resident grading program. Also, the minimum administrative fee for poultry and eggs per billing period would rise from \$135 to \$145, and the maximum fee will rise from \$1,350 to \$1,450. The minimum administrative fee for grading rabbits would rise from \$135 to \$145 per billing period.

Grading services administered by USDA are made available upon request from interested parties and paid for by the users. The Agricultural Marketing Act of 1946 requires user fees to be reasonable and, as nearly as possible, equal to the cost of the services. Current fees have been in effect since June 1989.

USDA also would raise hourly fees for special inspection services in egg products plants. Proposed increases are from \$20.52 to \$21.68 for overtime work; from \$14.20 to \$14.72 for holiday inspection work, and

from \$20.28 to \$23.20 for processing appeals from inspectors' decisions. The 1970 Egg Products Inspection Act requires that costs of services other than basic inspection during a normal 40-hour week be paid by the user. These special inspection fees were last increased in May 1987.

The proposed grading and inspection fee increases will be published as a proposed rule in the Feb. 6 Federal Register. Comments must be received on or before March 6 and should be sent to Janice L. Lockard, Chief, Standardization Branch, Poultry Division, AMS, USDA, Rm. 3944-S, P.O. Box 96456, Washington, D.C. 20090-6456, on or before March 6.

Clarence Steinberg (202) 447-6179

#

USDA GRADING SERVICE WITHDRAWN FROM OHIO EGG PACKER

WASHINGTON, Feb. 5—The U.S. Department of Agriculture has withdrawn for 45 days federal shell-egg grading and acceptance services from Tri-State Egg Products, Ottawa, Ohio, effective Jan. 25.

Daniel D. Haley, administrator of USDA's Agricultural Marketing Service, said USDA issued a complaint against Tri-State Egg Products on May 16, 1989, alleging that the firm had falsely represented that its products were graded by an official USDA grader. The complaint held that this misrepresentation violates the Agricultural Marketing Act of 1946.

Neither admitting nor denying the charge, Tri-State Egg Products agreed to a consent decision and order issued by a USDA administrative law judge, which will be in effect until March 10.

AMS provides grading on a fee-for-service basis to the shell-egg industry. Authority for this service is in the 1946 act.

Clarence Steinberg (202) 447-6179

#

MAJOR FINANCIAL SURVEY OF U.S. FARMS STARTS FEB. 12

WASHINGTON, Feb. 5—A major survey of production costs and financial conditions throughout the farm sector will begin Feb. 12, a U.S. Department of Agriculture official announced today. 26,000 farms and ranches nationwide for the sixth annual Farm Costs and Returns Survey,” said Charles Caudill, administrator of USDA’s National Agricultural Statistics Service. NASS, USDA’s primary statistics-gathering agency, will conduct the survey through March 30.

Interviewers will be collecting 1989 data about farm expenses, finances, capital purchases and costs of production. The information will be used to determine farm production expenditures, measure farm income and assess farm sector debts, assets and cash flow—key indicators of the economic well-being of farmers. Survey findings also will be used to estimate costs and returns of producing individual commodities.

USDA will publish the results in various reports to be released beginning this summer.

“This survey goes directly to the source, farmers themselves, to develop an accurate picture of the diverse financial conditions in agriculture,” Caudill said. “The cost-of-production data help farm policymakers understand the costs of farming and ranching. Other information helps researchers analyze the financial situation in the farm sector—how it’s changing, and where problems are located,” Caudill said.

The survey lets farmers and those who represent them know what’s happening in different regions and sectors of agriculture, Caudill said. State agriculture officials and policymakers in Washington base many of their decisions on information gleaned from this survey. It allows decisions which affect the farmer to be based on reliable data rather than speculation.

Statistical sampling techniques ensure that the farmers selected for survey interviews represent a broad cross-section of American agriculture. The survey is expected to yield roughly 15 million pieces of data, permitting analysts to look beneath the national averages so that farmers, legislators, farm support industries, and the public can better understand how financial conditions vary among different sizes and types of farms in different parts of the country.

Responses to survey questionnaires are confidential. All questionnaires are destroyed when summary data are fed into computers and sent to USDA headquarters in Washington. NASS statisticians will compile the survey data, and USDA's Economic Research Service will analyze the results.

Jack Harrison (202) 786-1494

#

USDA ANNOUNCES 39 ADDITIONAL WATER QUALITY SPECIAL PROJECTS

WASHINGTON, Feb. 5—Secretary of Agriculture Clayton Yeutter today announced that the U.S. Department of Agriculture will provide \$11,930,000 to carry out 39 water quality special projects in 28 states.

“These are in addition to the 37 hydrologic unit projects I announced on Jan. 25,” said Yeutter. “This is another part of USDA's accelerated effort in support of the President's 1990 Water Quality Initiative.”

The goal of the water quality special projects is to solve problems caused by agricultural non-point source pollution of ground and surface water. Such pollution stems from animal waste, fertilizers, pesticides and sediment.

“On all of these projects we'll be working closely with state and local agencies and the Environmental Protection Agency,” said Yeutter.

State and county offices of USDA's Agricultural Stabilization and Conservation Service will administer the projects with assistance from USDA's Cooperative Extension Service and the Soil Conservation Service.

The projects will be monitored by USDA, EPA and state agencies to ensure that the public's water supply is protected and improved.

The water quality special projects announced today are authorized and funded under the Agricultural Conservation Program.

The 39 water quality projects are:

State	Project
Alabama	- Big Prairie Creek.
Arkansas	- Beaver Lake.
Delaware	- Nanticoke.
Georgia	- Piedmont.
Illinois	- Cedar Lake.
Indiana	- LaGrange County Lake Enhancement.
Iowa	- Corydon Lake.
Kansas	- Miola Lake.
Kentucky	- Mammoth Cave Area.
Louisiana	- Tangipahoa River.
Maine	- Kenduskeag Stream; 25 Mile River.
Maryland	- Bohemia-Sassafrass Rivers; Chincoteague and Sinepuxent Systems.
Massachusetts	- Lower Deerfield River.
Michigan	- Clam River.
Mississippi	- Tenn-Tom.
Nebraska	- Quad County; Southern Nuckolls.
New York	- Cattaraugus Creek; Multi-County Chesapeake Bay/Susquehanna River.
North Dakota	- Renwick.
Ohio	- Clark Lake; Upper Darby; Upper Vermillion.
Oregon	- Coquille River; Nestucca River.
Pennsylvania	- Potomac-Juniata.
Rhode Island	- Narragansett Bay.
South Carolina	- Clarendon-Sumter; Greenwood-McCormick.
Tennessee	- Lick and Limestone Creeks; Upper Duck River.
Vermont	- Lower Lake Champlain.
Virginia	- Lower Nottaway and Blackwater Rivers; Rockingham County.
Washington	- Kamm Creek; South Fork of the Palouse River.
Wisconsin	- Lake Neshonoc-Little La Crosse River.

#

YEUTTER ANNOUNCES AGRICULTURAL TECHNICAL ASSISTANCE MISSION TO POLAND

WASHINGTON, Feb. 5—Secretary of Agriculture Clayton Yeutter today announced that a team of seven U.S. agricultural experts will travel to Poland Feb. 6-15 as part of continuing U.S. efforts to aid Poland in establishing an efficient, privatized agricultural economy.

The team will be headed by Dr. Myron D. Johnsrud, administrator of the U.S. Department of Agriculture's Extension Service.

"The group will focus on determining Polish needs in agricultural education and technical assistance, especially as applied to private farm production and marketing," Yeutter said.

The team will examine Polish agricultural marketing and distribution systems, and will identify immediate needs for the 1990 production season, he said. The mission is expected to produce a detailed plan of action for establishing an efficient agricultural production and marketing system based on privatization.

The mission follows a technical assistance agreement signed in Warsaw Dec. 16, 1989, by Yeutter and officials of the Polish Ministry of Agriculture, Forestry and Food Economy and the Ministry of Rural Life Quality.

The team also will consult with Polish officials about development of a plan for establishing an agricultural extension system in the country. Plans for an Agricultural Extension Working Group as called for in the Dec. 16 agreement also will be developed.

In addition to Johnsrud, the team includes: Neil E. Harl, professor of agriculture and economics, Iowa State University; Jeanne Edwards, a Massachusetts farmer and rancher; Vivian Jennings, deputy administrator for agriculture, Extension Service; Richard Rankin, deputy administrator for management, Extension Service; Janet Poley, director of communication, information and technology, Extension Service; and Jerry Walker, International Research Division, USDA's Office of International Cooperation and Development.

Nancy Sowers (202) 447-4651

#

FOUR NEW RESOURCE CONSERVATION AND DEVELOPMENT AREAS APPROVED FOR ASSISTANCE

WASHINGTON, Feb. 5—Four new areas covering 15.5 million acres in 19 counties in Pennsylvania, Tennessee, Utah, and West Virginia are now eligible for federal assistance for resource conservation and development projects, Secretary of Agriculture Clayton Yeutter announced today.

“We’re pleased that we will be able to do more for rural development and resource conservation in these areas,” Yeutter said. “We’ll be working closely with local leaders to expand economic, cultural, and recreational opportunities for local residents and to enhance the environment.”

The U.S. Department of Agriculture’s Soil Conservation Service has USDA leadership for the resource conservation and development (RC&D) program and provides technical and financial assistance.

The RC&D program, established 25 years ago, works through local RC&D councils and their committees. The program assists RC&D councils to set their own goals and then identify local agencies, groups and foundations to fund and carry out these actions. USDA provides each area with a project coordinator.

Council members represent sponsoring organizations, including county governments, soil and water conservation districts, towns, water districts, and other nonprofit groups.

Through their efforts, they have improved local water supplies, marketed local products, and improved needed community facilities, including hospitals, schools, and water and sewage treatment plants. They’ve also accelerated efforts to control erosion, improve recreation facilities, and provide flood protection. The new areas bring the nationwide total to 194 RC&D areas. The new project areas and the counties included are:

Southern Alleghenies RC&D Area, Pennsylvania—Bedford, Blair, Cambria, Fulton, Huntingdon and Somerset counties.

Clinch-Powell RC&D Area, Tennessee—Claiborne, Grainger, Hancock, Hawkins and Union counties.

Castleland RC&D Area, Utah—Carbon, Emery, Grand and San Juan counties. Northern Panhandle RC&D Area, West Virginia—Booke, Hancock, Marshall and Ohio counties.

Diana Morse (202) 447-4772

#

STEERING CLEAR OF FIRE ANTS—A STINGING CLING-ON THAT CAUSES DELAYS

WASHINGTON—What do you call a red, six-legged creature a quarter-inch long that stings, can climb aboard your truck and delay you for 24-48 hours? Scientists call it *Solenopsis invicta*, most people call it fire ant, and everyone agrees it's a pain.

Agriculture officials are joining forces with Tom Stanford, president of Interstate Poster Media and the American Trucking Association to let truckers know just what a driver is up against when it comes to these unwelcome hitchhikers. Beginning early in 1990, truckers may see posters or flyers in truck stops or at meetings warning them of delays fire ants can cause them as they go to or through Arizona and California, states still free of the pest.

“Anyone ever bitten by a fire ant—and that includes many who have spent time in the Southeast—knows that the pest's common name refers to the burning sensation caused by its sting,” says James Glosser, administrator of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service. “To make it worse, several fire ants often climb swiftly over their victim, and without warning, all bite at once.”

So it's understandable that states that don't have fire ants don't want them. But truckers traveling to or through Arizona or California can be stung by fire ants in more than the usual way. To keep out fire ants, these states—whose agriculture and recreation industries stand to lose millions of dollars to the stinging insects—instruct their border inspectors to stop trucks with ants aboard.

“Their defensive behavior may be obnoxious, but their appearance is not particularly unique,” Bill Gorman says of fire ants. Gorman, eastern regional director for Arizona's border stations, says that identifying the ants requires a specialist and getting them to one can take 2-48 hours. “While truckers wait, they lose time and sometimes miss deadlines. If the insects are confirmed as fire ants, the truck won't be able to enter the state,” he says.

California and Arizona are taking this action because fire ant infestations, in addition to being a nuisance, make it difficult or impossible to plant, harvest, picnic or play in a field or park, ruining its agricultural or recreational potential.

In recent years, the number of truckers stopped by inspectors for fire ants has skyrocketed. Until 1985, just three or four trucks a year were detained for fire ants. Then inspectors realized that it wasn't just regulated items such as nursery stock or soil that harbored fire ants; trucks with almost any commodity were fair game. As inspections increased so did the number of trucks—600 or more a year—being turned back from Arizona and California for fire ants.

“We've found fire ants in glass, beer, plastics, paper products, fruits and vegetables, tile and roofing materials, logs and even frozen foods,” says Dick Brown, a pest exclusion biologist for California's Department of Food and Agriculture. “Ants from a truck carrying frozen chicken were being identified when one of the pests thawed out on the laboratory bench and stung the technician. That pretty much identified it as fire ant.”

Products that sit outdoors before being shipped present a particular risk. “These ants are adaptable. They usually nest in soil but we're finding their colonies almost anywhere that affords them some protection,” says Brown, who adds that they seem to like tile and roofing materials particularly. “In one case, truckers were stung while loading tiles piled near a swollen river. The ants' nests had been flooded, so they just found higher ground—in the tile.”

Unfortunately, fire ant nesting niches include cracks in the interwalls of trailers. Once lodged inside these cracks and crevices, steam cleaning or a pyrethrin insecticide may be needed to flush them out. Sometimes the only thing that does the trick is fumigating the truck.

“It's particularly important to check a truck between loads if you're carrying perishable, edible or medical supplies since trucks loaded with such products can't be fumigated,” Gorman reminds truckers. “One trucking company is paying \$40,000 to a medical supply company for items contaminated after the driver was turned back for fire ants and had the loaded truck fumigated.”

The moral of the story: Prevent trouble when you can. Start with a clean truck. Don't load fire ants along with cargo. When in fire-ant infested areas (Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee and Texas), park on pavement and away from obviously infested areas. Tell shippers in these areas that goods stored outdoors are at risk—suggest they protect cargo or treat surrounding grounds with a fire-ant bait such as Amdro or Logic.

If you do have ants on your truck and you're going into or through California or Arizona, you could be delayed. Sometimes the answer is as simple as sweeping out the truck, but a pyrethrin pesticide, steam cleaning or fumigation may be needed. Regardless of how you get the job done, Gorman says to remember, "Steer clear of delays by keeping your truck free of fire ants."

Pat El-Hinnawy (301) 436-7253

#

FGIS REPORT SHOWS QUALITY IMPROVES IN 1989 SOYBEAN CROP

WASHINGTON, Feb. 5—The latest report on the quality of domestic soybeans by the U.S. Department of Agriculture's Federal Grain Inspection Service shows that in 1989 more than 32 percent of the graded samples in the study earned the U.S. No.1 grade, up from 21 percent that earned the top grade in the previous year.

Acting FGIS Administrator David Galliard said the report also showed that the foreign material (FM) and moisture content averages were substantially lower than the averages found last year. He did indicate, however, that the total damaged kernel (DKT) and split soybean averages were higher this year.

The report is based on FGIS' annual summary of randomly selected samples of all official inspections performed on new-crop soybeans during the first four weeks following the start of local harvest throughout the country. The average quality of these selected samples is indicative of the quality of the U.S. soybean crop inspected during the period. The preliminary 1989 soybean report summarizes results for 5,456 officially inspected samples.

The preliminary report is an advance version of final material that will appear in the FGIS 1989 New Crop Soybean Report, scheduled for publication this spring. Advance reports are furnished to assist those who need the information on a more timely basis.

For a copy of the preliminary report, or the final 1989 New Crop Soybean Quality Report when it becomes available, contact Allen Atwood, FGIS, RMD, Room 0632-S, P.O. Box 96454, Washington, D.C. 20090-6454; telecopier (202) 447-4628.

Allen A. Atwood (202) 475-3367

#

USDA SETTLES FIVE ANIMAL AND PLANT HEALTH COMPLIANCE CASES

WASHINGTON, Feb. 5—The U.S. Department of Agriculture settled five cases during November 1989 to enforce federal animal and plant health laws and regulations.

USDA's Animal and Plant Health Inspection Service is responsible for a variety of programs to prevent, control or eradicate pests and diseases of plants and animals. In enforcing the regulations to accomplish this mission, legal action is generally taken against violators only after repeated efforts to secure compliance are unsuccessful, according to James W. Glosser, administrator of APHIS.

The latest monthly figures show that individuals and businesses who violated the regulations were fined a total of \$6,000 (although \$2,000 of this amount was suspended). Also, port inspectors collected \$36,818 in civil penalties from 1,198 international travelers caught smuggling potentially hazardous agricultural products into the country and \$1,550 from 15 businesses or shipping companies that mishandled or improperly disposed of regulated garbage.

In addition, four new charges were filed during November against persons or businesses accused of violating agency regulations. Three stemmed from the illegal showing of sore horses in violation of the Horse Protection Act and one from illegal interstate movement of cattle.

USDA enforces its regulations primarily through administrative charges, many of which are resolved through consent orders, levying specified penalties. Alternatively, an administrative law judge hears the case and renders a decision. Either USDA or the respondent may appeal the administrative law judge's decision to the USDA's judicial officer. The respondent only may appeal an adverse decision to the U.S. Court of Appeals.

The following actions, by subject, were settled in November:
INTERSTATE MOVEMENT OF LIVESTOCK—Certain livestock moving across state lines must be identified and accompanied by health certificates and permits, depending on the species, age, sex, health status and origin of the animals. A number of livestock diseases, such as brucellosis and tuberculosis, are being eradicated under cooperative state-federal programs; however, these diseases could spread rapidly if dealers and producers fail to follow shipping rules.

—Bert Smith III of Church Hill, Tenn., agreed to pay a \$2,000 civil penalty without admitting or denying USDA allegations that he failed to comply with federal cattle shipping regulations. USDA alleged that on March 12, 1989, Smith moved at least nine head of cattle from Church Hill, Tenn., to Amarillo, Texas, without the required shipping documents to indicate the identity and health status of the cattle being shipped.

—A total of \$2,000 in civil penalties was assessed in connection with the allegedly illegal movement of about 15 sows from Nevada to California. Involved were Don Agresti of Ceres, Calif., who agreed to pay \$500; R.C. Farms, Inc., of North Las Vegas, Nev., which agreed to pay \$1,000 as a corporation; and Robert R. Combs, the company's president, also of North Las Vegas, who agreed to pay \$500. None of the parties involved admitted or denied USDA allegations that they violated federal regulations for the interstate movement of livestock. USDA had alleged that on April 22, 1986, the parties violated rules that limited the movement of the sows involved to an approved livestock market. Also, the animals allegedly moved without proper identification or an accompanying certificate as required.

Horse Protection

—James McBride, a horse owner and Jim McBride, a horse trainer, both from Tullahoma, Tenn., were each disqualified for one year from the horse show business. Fines of \$2,000 each were suspended. USDA had charged the McBrides with having entered a sore horse named "Crackerjack's Magic" in the Belfast (Tenn.) Lions Club Horse Show on Aug. 1, 1986. USDA said that the McBrides failed to answer its formal complaint, leading to a ruling by an administrative law judge without a hearing. The disqualification means that the McBrides may not show or exhibit any horse or judge, manage or otherwise participate in any horse show or sale until Dec. 7.

Veterinary Accreditation

—Mark P. Helfat of Mount Holly, N.J., agreed to have his federal accreditation suspended for 30 days to settle USDA charges that he failed to keep himself current on federal regulations and to follow prescribed accreditation standards. Specifically, Helfat was charged with preparing an inaccurate health certificate for nine cattle intended for export to Brazil. Further, he was charged with improperly administering tuberculosis tests to some of these cattle. He also allegedly permitted his

client to have custody and unsupervised use of official eartags. The suspension was in effect from Nov. 21 to Dec. 21, 1989.

—Charles L. Miller of Glen Dale, W.V., agreed to have his federal accreditation suspended for three months to settle USDA charges that he failed to follow accreditation standards. Specifically, Miller allegedly signed and issued an export health certificate for eight horses shipped from Wheeling, W.V., to Calgary, Canada, without first examining them. He also allegedly allowed a nonaccredited veterinarian to inspect the horses and draw blood for testing. The suspension ran from Oct. 17, 1989 to Jan. 16.

Amichai Heppner (301) 436-7799

#

PRIVATE EXPORTERS REPORT SALES ACTIVITY FOR CHINA

WASHINGTON, Feb. 5—Private exporters today reported to the U.S. Department of Agriculture export sales of 100,000 metric tons of hard red spring wheat for delivery to China during the 1989-90 marketing year.

The marketing year for wheat began June 1.

USDA issues both daily and weekly export sales reports to the public. Exporters are required to report to USDA export sales of 100,000 metric tons or more of one commodity, made in one day, to one destination by 3:00 PM eastern time on the next business day following the sale. Export sales of less than these quantities must be reported to USDA on a weekly basis.

Thomas B. McDonald (202) 447-3273

#

YEUTTER OUTLINES ADMINISTRATION PROPOSALS FOR 1990 FARM BILL

WASHINGTON, Feb. 6—Secretary of Agriculture Clayton Yeutter announced today the Bush Administration proposals for the 1990 Farm Bill. “We are proposing a set of modifications of the 1985 Farm Bill. The 1985 Act put American agriculture on the right course by helping us become more internationally competitive, it reversed the upward trend of

soil erosion by idling highly erodible land, and it improved our domestic farm support programs by making them more oriented to market signals,” Yeutter said. “Our objective now should be to make it work better—more responsively, more flexibly, more competitively.

“Today I met with Congressional leaders to outline our proposed changes, and to commit to work with them in an expeditious manner so the bill can be on the President’s desk before the Congressional summer recess,” Yeutter said. “Farmers, ranchers and those involved with the nation’s food assistance programs deserve to know what the new legislation will prescribe before fall planting and before planning for next year’s food assistance programs. I also indicated to the Congressional leadership that the Administration stands ready to provide legislative language for each of our proposals at the appropriate time,” he continued.

“Our suggested modifications will provide the flexibility to adjust to changes in the international marketplace; maintain the successful course set in the 1985 legislation which has resulted in a dramatic upswing in farm income and export market share; and balance the need for an abundant, safe and affordable food supply with conservation and improvement of our environment,” Yeutter said. Highlights of the set of modifications follow.

- *Flexibility:* The current system of target prices, crop bases and acreage reduction programs for program crops (wheat, feedgrains, cotton and rice) is designed to support farm income. However, an unintended consequence is that farmers have been planting for the programs instead of the market. In addition, crop rotations and their associated environmental benefits have often been precluded or made unprofitable by current programs.

Administration Recommendation: Greater production flexibility should be achieved by implementing a Normal Crop Acreage (NCA) concept. The NCA would define substitutable crops, authorize crop-specific acreage reduction programs, and provide authority to plant on idled acres in exchange for giving up specified deficiency payments. This flexible approach will allow farmers to plant crops based on market signals without loss of farm program benefits.

It should also lead to higher production of crops in scarce supply, lower production of crops in surplus, and provide environmental benefits.

- *Grain Reserves and Stocks Policy:* The current farmer-owned reserve (FOR) has evolved into a confusing set of rules and regulations that frequently fail to serve the purpose for which it was established. Commodities have been held in reserve under multi-year contracts when they have been needed by the market. Market risk has been created by the uncertainty of USDA decisions concerning release of stocks, entry of commodities, and other FOR determinations.

Administration Recommendation: A multi-year program based on annual contracts, characterized by greater simplicity and flexibility in entry, exit and other administrative decisions. It will also shift more of those decisions from the government to the farmer. In addition, replenishment authority of the Food Security Wheat Reserve will be extended.

- *Triggered Acreage Reduction (ARPs) Programs:* The 1985 legislation ties the trigger for acreage reduction programs to projected carryover stock levels. The relationship between acreage reduction programs and stock levels is a key factor in commodity program policy. However, the way in which the two are tied currently could lead to ARP decisions that are inconsistent with market needs and detrimental to farmers, rural communities, domestic consumers and U.S. competitiveness.

Administration Recommendation: For wheat and feedgrains, ARP levels are to be triggered each marketing year on the basis of stocks-to-use ratios. If the ratio of ending stocks to total use is estimated to be more than 40 percent for wheat and 25 percent for corn, the ARP level would be 12.5-20.0 percent of the base acreage. If the stocks-to-use ratio is 40 percent or less for wheat and 25 percent or less for corn, the ARP level would be 0.0-12.5 percent. For cotton and rice, ARPs would be used to achieve, to the maximum extent practicable, a stocks-to-use ratio of 30 percent for cotton and 20 percent for rice.

- *Loan Rates for Program Crops and Soybeans:* The 1985 Act set loan rates in a somewhat arbitrary way, and with some inconsistencies among crops.

Administration Recommendation: The loan rate formula specified in the 1985 Act for wheat and feedgrains would be extended to upland cotton, extra longstaple cotton, and rice. The 1985 loan rate formula for soybeans would be extended. This would generally provide loan

rates at 75-85 percent of previous market prices. All would be 9-month loans, but the Secretary could extend them if market conditions warrant it (except cotton which will have 10 month loans). Mandatory marketing loans would continue for upland cotton and rice.

- *Crop Disaster Assistance Program*: Shortcomings of the current federal crop insurance program have led to low participation rates—under 45 percent, and until 1989, under 25 percent. In addition, ad hoc disaster legislation has been frequently superimposed upon the federal program. In combination these programs have cost more than \$1 billion per year this past decade. Fundamental reforms are imperative.

Administration Recommendation: The proposal recommends replacing the current federal crop insurance program with a standing disaster assistance program, administered through ASCS, to respond to catastrophic losses. Eligibility would include those crops currently covered by the crop insurance program, plus hay and forage. These crops account for over 93 percent of total U.S. cropland. Disaster payments would be available for producers of crops in counties where actual county average harvested yield falls below 65 percent of normal as estimated by the USDA's National Agricultural Statistics Service (NASS). Once a county is declared eligible, individual farmers would receive disaster payments for any shortfall in their own farm harvested yield below 60 percent of the NASS county average yield for harvested acres. Payments for reduced yield and failed acreage would be based on 65 percent of the 3-year average market price for each eligible commodity. Producers would be limited to a \$100,000 payment and would not qualify for payments if their gross annual income exceeded \$2 million. Producers receiving disaster payments under this program would not be eligible for FmHA Emergency Loans or the CCC emergency livestock feed program for the same losses.

- *Water Quality and Wetlands Provisions of the Conservation Reserve Program (CRP)*: Farmers and ranchers want to do their share so that ground and surface water quality remains high. Protecting ground and surface water against pollution originating on agricultural and forest land is one of the two top priorities of USDA's National Conservation Program which will run through 1997. Wetlands are productive and valuable National resources. The loss of wetlands to agricultural uses between the mid-1950s and the mid-1970s is estimated to be over 11 million acres - an annual loss of about 550,000 acres.

Administration Recommendation: To enable producers to reduce cropping on land where pollution of ground water is a critical concern and to support the restoration of wetlands, the 1990 farm bill would provide for the extension of the current CRP enrollment period for the purposes of improving water quality and restoring cropped wetlands. Land eligible for contract beyond 1990 could include: all cropland within 1000 feet of a well within a state-approved wellhead protection area; cropland in shallow karst areas, where sinkholes convey dangerous runoff directly to ground water; existing cropped wetlands; and certain restorable cropland wetlands.

- *Multi-Year Set-Aside:* Current program provisions require Acreage Conservation Reserve (ACR) land idled under annual programs to be protected from wind and water erosion, weeds and rodents in an approved manner. However, perennial cover is seldom established on ACR acres, resulting in lost opportunities to naturally improve soil fertility, reduce weed problems on cropped land, improve water quality and habitats for wildlife, and have good quality forage available for drought emergencies.

Administration Recommendation: An annual or perennial cover crop would be required on one-half of the ACR, not to exceed 5 percent of a crop acreage base, each year. The federal government would cost-share establishment expenses on a 50/50 basis, if a farmer chooses to establish a perennial, rather than annual, cover crop. Haying and grazing on all ACR acres would be permitted, under the current guidelines, except that mowing or grazing could not take place prior to July 1 on acres planted to perennials.

- *Food Stamp Integrity and Programs for the Homeless:* Food stamps are intended to help low-income Americans buy nutritious food. By law, food stamps can be used only to buy food in authorized grocery stores. However, in practice, food stamps are sometimes diverted to other uses through sale or barter. As a result, family members who should receive food through the program do not. Though homeless individuals do qualify for food stamps, few participate.

Administration Recommendation: The Administration proposes to expedite the testing of Electronic Benefit Transfer (EBT) systems which would eliminate paper coupon food stamps and cut down on fraud. States will be allowed to undertake their own EBT projects by

April 1992. New and tougher penalties against individuals who illegally sell coupons, solicit the sale of coupons, or accept illegally obtained coupons are proposed. Also mandatory minimum penalties for people convicted of food stamp fraud are proposed. A strike team of government investigators will be established to aggressively seek out program abuse.

In addition, grants will be offered to non-profit groups to test innovative ways to reach out to the homeless with information, assistance, and other services. Homeless individuals would also be allowed to use their food stamps to purchase prepared meals at authorized shelters, soup kitchens and restaurants offering reduced prices.

- *Better Targeting of Farmers Home Administration Programs:* Over the past two decades, the USDA's Farmers Home Administration (FmHA) has moved away from its original mission of being a supervised credit agency. Legislation covering this program has provided loopholes and such a degree of leniency that some of the programs resemble grants more than loans.

Administration Recommendation: Through various proposals, tougher credit standards and shorter time limits for repayment would be required in some FmHA programs. Eligibility for direct FmHA operating loans would be limited to seven years. Borrowers would remain eligible for up to 10 years when receiving assistance through a combination of direct and guaranteed loans, and a one time restructuring of up to an additional seven years would be possible.

- *Grain Quality:* Reports of aflatoxin in U.S.-grown corn have prompted increased public concern about mycotoxins in grain. In FY 1989, such concerns resulted in foreign buyers requiring the testing of almost 90 percent of U.S. exported corn.

Administration Recommendation: In order to allay concerns of foreign buyers about the level of aflatoxin in U.S. corn and to re-establish our reputation as an exporter of high quality grain, we would require all corn exported from the U.S. to be officially tested for aflatoxin.

“The Administration also proposes to continue an aggressive Export Enhancement Program until the conclusion of the Uruguay Round of multilateral trade talks under the auspices of the GATT,” Yeutter said. “Our 1990 Farm Bill proposals are separate from, though integrally

related to, our activities in the GATT negotiations. When the Uruguay Round is complete, the Administration will submit to Congress whatever implementing language may be necessary.”

“The Administration and Congress should work together to fashion legislation which will help agriculture face the dynamic changes of this decade with the present and future needs of American farmers being our paramount concern.”

Kelly Shipp (202) 447-4623

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, Feb. 6—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 9.76 cents per pound;
- medium grain whole kernels, 9.02 cents per pound;
- short grain whole kernels, 8.91 cents per pound;
- broken kernels, 4.88 cents per pound.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

- long grain, \$6.03 per hundredweight;
- medium grain, \$5.62 per hundredweight;
- short grain, \$5.42 per hundredweight.

The prices announced are effective today at 3 p.m. EST. The next scheduled price announcement will be made Feb. 13, at 3 p.m. EST, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-7923

#

PRIVATE EXPORTERS REPORT SALES ACTIVITY FOR EGYPT

WASHINGTON, Feb. 6—Private exporters today reported to the U.S. Department of Agriculture export sales of 130,000 metric tons of soft red winter wheat for delivery to Egypt during the 1989-90 marketing year.

The marketing year for wheat began June 1.

USDA issues both daily and weekly export sales reports to the public. Exporters are required to report to USDA export sales of 100,000 metric tons or more of one commodity, made in one day, to one destination by 3:00 PM eastern time on the next business day following the sale. Export sales of less than these quantities must be reported to USDA on a weekly basis.

Thomas B. McDonald (202) 447-3273

#

NATIONAL VOLUNTEER AWARD PRESENTED TO ALABAMA CONSERVATION DISTRICT

WASHINGTON, Feb. 7—The Jefferson County Soil and Water Conservation District Earth Team in Birmingham, Ala., is the winner of the national Earth Team award presented by U.S. Department of Agriculture's Soil Conservation Service and the National Association of Conservation Districts.

“We’re recognizing a team where the district officials and the Soil Conservation Service staff work together so well on their volunteer program that they’re setting precedents,” said Wilson Scaling, chief of SCS.

“Volunteers have done a wide variety of activities—helping with local television programming on conservation, maintaining files, preparing conservation plans, and doing field work. We’re proud of their accomplishments,” he said.

The district received its award Monday, Feb. 5, from Scaling and Robert Wetherbee, president of the National Association of Conservation Districts, in San Diego, Calif., at the national convention of NACD.

Achievements of the district's Earth Team include planting 4,000 pine trees on reclaimed abandoned mine land, developing an outdoor classroom, renovating the grounds of a school, and planning and conducting an annual conservation education canoe trip for more than 200 participants.

Volunteers include a college professor, a civil engineer, a chemical engineer, a museum director, a computer programmer, Boy Scouts, and other community groups. Local businesses have provided financial support.

Nationwide, nearly 13,000 volunteers contributed more than 300,000 hours to SCS's Earth Team volunteer activities last year.

Diana Morse (202) 447-4772

#

YEUTTER APPOINTS NATIONAL PORK PRODUCERS DELEGATE BODY

WASHINGTON, Feb. 7—Secretary of Agriculture Clayton Yeutter today announced the appointment of 148 pork producers and importers to the national Pork Producers Delegate Body for a one-year term.

The secretary selected the appointees from nominees submitted by state pork producer associations and importer groups. Representation on the delegate body is chiefly proportional, based on annual net assessments collected on sales of domestic hogs within individual states, with a minimum of two producers authorized from each state. States have the option of not submitting nominees. Alaska, Massachusetts, and Rhode Island submitted only one nominee each this year, and New Mexico and Vermont submitted none.

Imported pork and pork products also are assessed, and pork importers have six representatives on the delegate body.

Delegates meet annually to recommend the rate of assessment, to determine the percentage of assessments that will go to state associations, and to nominate hog producers and importers to the 15-member National Pork Board.

Established under the Pork Promotion, Research, and Consumer Information Act of 1985, the Delegate Body and Pork Board have implemented a national program designed to improve the pork industry's position in the marketplace. The program, approved for continuation in a September 1988 referendum of producers and importers, is funded by a mandatory assessment currently of one quarter of one percent of the market value of each hog sold in the U.S. and an equivalent amount on imported hogs, pork, and pork products. Assessments began Nov. 1, 1986.

Pork producers appointed by state are: ALABAMA—James C. Burton Jr., Hoyt D. Adair; ALASKA—Scott R. Miller; ARIZONA—Thomas A. Miller, Bernard V. Unrast; ARKANSAS—Bill C. Moeller, John P. Belts;

CALIFORNIA—Jacque A. Dallaire, John R. Bailey; COLORADO—Gerland N. Klein; Glenn A. Babcock; CONNECTICUT—John T. Breakell, James W. Dougherty; DELAWARE—Dale J. Ockels, Arthur D. Kauffman; FLORIDA—Stephen D. Basford, Edwin R. Walliser; GEORGIA—Harry L. Kemp, Roy Herrington, John L. Walters; HAWAII—Leonard T. Oshiro, David K. Oshiro;

IDAHO—H.C. Studer, Wilferd P. Gebauer; ILLINOIS—Michael J. Edmund, Robert I. Brauer, Ramond N. Hankes, Lynn R. Shimmin, Harold W. Scheffel; Paul L. Essington, John A. Kellogg, Gordon R. McClure;

INDIANA—John D. Hardin Jr., Robert L. Huber, Steven R. Nichols, Albert W. Drake, Larry J. Gottschalk, Jay L. Hawley; IOWA—Norlin C. Gutz, Thomas J. Floy, Gerald F. Becker, Leo J. Brincks, Rozalyn A. Boyer, Tim L. Kapucian, Glen L. Keppy, James L. Ledger, Verle L. McGraw, Darrell E. Morse, Donald D. Gingerich, Harlan A. Meyer, Craig L. Olson, James A. Meyer, Jon D. Caspers, Joan R. Nossaman, Helen E. Pollock, Douglas K. Showalter;

KANSAS—Dennis D. Hupe, Victor L. Krainbill, Leo J. Schwartz; KENTUCKY—Jerry A. Thompson, Richard H. Jones, Michael J. Finney; LOUISIANA Robert L. Fletcher Jr., Gerald W. Reeves; Maine—Paul E. Sweetland Jr., Sally T. Smith; MARYLAND—Howard A. Williams, William C. Malkus; MASSACHUSETTS—Matthew J. Parsons; MICHIGAN—Larry J. See, Randall L. Cook, Dale L. Devereaux; MINNESOTA—Jeffrey D. Bauman, Patricia K. Christensen, James C. Folkerts, Soneva M. Goering, Dennis C. Pieske, Charles F. Woehler; MISSISSIPPI—Allan R. Kent, William G. Breland; MISSOURI—William T. Grider, Steven D. Oetting, Ronald D. Crider; John S. Price; MONTANA—Duane G. Braaten, Gary D. Uffelman; NEBRASKA—Waldon H. Stigge, Arnold E. Stuthman, Stephen A. Mohling, Leslie R. Weber, Kent L. Gansebom, Ronald L. Keller;

NEVADA—Patricia D. Fain, Joy D. Waite; NEW HAMPSHIRE—Edmond G. Merrill, Fukiko A. Merrill; NEW JERSEY—Kenneth C. Allen, Veronica A. Polen; NEW YORK—George A. Heidemann, Calvin M. Brown; NORTH CAROLINA—Harce D. Cornelius, Allan L. Baucom, Henry L. Harvey Jr., Vincent C. King;

NORTH DAKOTA—Harry J. Hystad, Diana L. Bloom; OHIO—Robert M. Barr, Keith L. Kemp, Kenneth H. Stiverson, D. William Burwell; OKLAHOMA—Robert C. Duroy, Dan L. Looper; OREGON—Loretta A. Kaser, Joseph P. Vachter; PENNSYLVANIA—Samuel D. Elkin, David

A. Reinecker, Stephen R. Burkholder; RHODE ISLAND—Kenneth L. Andrews Sr.; SOUTH CAROLINA—William F. Strickland, Charles L. Shuler; SOUTH DAKOTA—Chester T. McManus, Glenn A. Muller, Michael M. Olson, Ralph E. Duxbury; TENNESSEE—Michael E. Brundige, Tommy Carr, Henry L. Liles Jr.; TEXAS—Donald L. Berend, Charles R. Wilson; UTAH—E. Dale Harrison, Rick J. Bell; VIRGINIA—Walter L. Young Jr., Charles W. Ahrend; WASHINGTON—Thomas A. Cocking, Mark A. Street; WEST VIRGINIA—Bruce W. Sperow, Steven C. Teufel; WISCONSIN—Jerome D. Keller, Mike L. Wehler, Donald E. Thompson; WYOMING—James R. Lerwick, Nicholas P. Schroeder.

Importers appointed to the Delegate Body are Henry Greenebaum (New York), Knud Sorensen (New Jersey), Theodore T. Bodnar (Florida), Leon M. Tanzer (New York), Robert S. Gellert (New Jersey), and Henning A. Bruun (California).

Clarence Steinberg (202) 447-6179

#

GENETIC ENGINEERS: THIS SPUD'S FOR YOU

WASHINGTON—Miniature potatoes may offer biotechnologists a new way to give the plant useful new genes, according to a U.S. Department of Agriculture scientist.

Such genes might enable tomorrow's potatoes to better withstand pests and the bruising experience of harvesting, said Betty K. Ishida of USDA's Agricultural Research Service.

The quarter-inch-diameter potatoes, called microtubers, are sliced into disks and painted with a harmless bacterium holding two new genes. "In the laboratory, shoots emerging from the altered microtubers yielded healthy potato plantlets with the new genes actively working inside," said Ishida, a research biologist at the ARS Western Regional Research Center in Albany, Calif.

The new genes, called markers, don't confer useful agricultural traits but are vital to test the transfer method, said Ishida, of the Albany center's Process Biotechnology Research unit. Greenhouse and outdoor tests of the method have been proposed for this spring.

Ishida said the research "paves the way for scientists to use microtubers for transferring genes that confer valuable traits like

resistance to insect or disease pests and harvest-time bruising.”

Scientists have known how to grow microtubers in the laboratory for at least 30 years. But Ishida said that genetically engineering the plant by using microtubers—instead of leaf and stem pieces or disks from older, market-size tubers—is apparently a new approach.

Scientists have already bioengineered potatoes to give them new valuable genes such as those to ward off devastating “X” and “Y” viruses. These potatoes are not yet on the market.

Microtubers could offer “a new option to researchers who have had trouble getting genes accepted by potato plant parts like leaf or stem tissue,” said Albany plant physiologist William R. Belknap. He heads the unit’s experiments aimed at genetically engineering superior potatoes.

“Microtubers have worked well for us, while some other potato tissues haven’t,” he said.

Ishida and geneticist Gordon W. Snyder, Jr., now with an ARS lab in Urbana, Ill., inserted the two marker genes. One gene—if it joins the microtuber’s own catalogue of genes—will let sprouts resist the antibiotic kanamycin. The second gene cues sprouts to make an enzyme, beta-glucuronidase or GUS, not normally found in potatoes. “GUS gives us a second way of checking to be sure genes were transferred,” Ishida said.

Tests proposed for next spring in Idaho, said Belknap, will show whether genetically engineered shoots will develop in the greenhouse and outdoors into healthy plants that have the kanamycin and GUS genes inside, as well as the desirable genes of their parents. He’s seeking permission for the experiment from USDA’s Animal and Plant Health Inspection Service.

Belknap hopes eventually to use the method to give microtubers of a commercial variety, Lemhi Russet, genes to make the variety resist harvest-time bruising. He said Lemhi Russet is a potential competitor to Russet Burbank, which makes up more than 40 percent of the U.S. potato crop. “Lemhi is easier to grow in a wider variety of climates. But it is also much more vulnerable to bruising, and that limits its use,” he said.

Ishida and Snyder transferred the marker genes into each variety. With a loop of wire, they painted the genetically altered bacterium—a strain of *Agrobacterium tumefaciens*—onto wafer-thin disks of microtubers. Then they placed the disks in petri dishes with nutrients and kanamycin. When shoots and leaves emerged to form plantlets, those that incorporated the gene for kanamycin resistance produced healthy roots.

Later, the scientists moved shoots from the plantlets into a dark chamber and placed them on a high-sugar gel. Sugar gave the shoots energy to sprout stolons, or runners. Microtubers formed along the stolons.

When the microtubers, cut in half, were tested for the GUS gene, those that accepted the gene turned dark blue.

In nature, shoots grow from the “eyes” of potatoes, using the plump tuber as a sugar source. The shoots develop into leafy plants that can make their own sugars through photosynthesis.

Marcia Wood (415) 559-6070
Issued: February 8, 1990

#

**THIS WEEK’S HONEY-LOAN REPAYMENT LEVELS
UNCHANGED**

WASHINGTON, Feb. 8—Producers may repay their 1989 honey price-support loans at the following levels, according to Keith D. Bjerke, executive vice president of the U.S. Department of Agriculture’s Commodity Credit Corporation:

Weekly Honey-loan Repayment Levels, color and class, cents per pound, 1989 crop Table

Table	
White	40.0
Extra-light Amber	37.0
Light Amber	36.0
Amber	35.0
Nontable	33.0

The levels are unchanged from those announced April 20, 1989.

Producers who redeem their honey pledged as loan collateral by repaying their 1989 honey-price support loans at these levels may not repledge the same honey as collateral for another loan.

Jane K. Phillips (202) 447-7601 8:00 am-4:30 pm EST
John C. Ryan (202) 447-8207 4:30 pm-5:30 pm EST
#